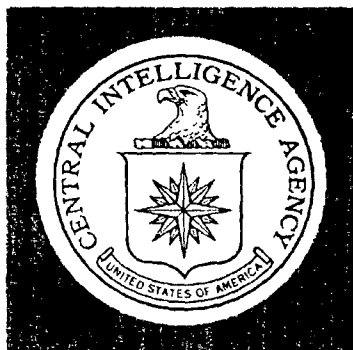


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The President's Daily Brief

Top Secret 6 March 1968

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DAILY BRIEF
6 MARCH 1968

1. South Vietnam

Close to 20,000 North Vietnamese are estimated to have infiltrated South Vietnam in January--the highest monthly total of the war. The 304th and 320th divisions which moved into the Khe Sanh area probably account for more than half of the January figure.

The US Embassy has taken a preliminary look at damage done by the Tet offensive to the South Vietnamese economy and concluded it has been severe. Aside from the serious disruption to movement of goods and products, industrial facilities have suffered extensive damage, and most business activity has been suspended.

As for the offensive itself, there have been no major clashes reported so far today. Communist units continue to move toward cities in the north, and there are indications that a major attack may be mounted on Da Nang later this month.

2. Panama

Robles is refusing to compromise; Arias is equally determined to get concessions or proceed with impeachment; the National Guard remains uncommitted; and the situation is ugly.

The National Assembly is scheduled to meet today to hear the report of the commission that was to investigate the charges against Robles. It is not clear, however, whether the assembly will meet, and there are reports that the government is planning some action--such as suspension of the constitution--in an effort to keep it from convening.

Meanwhile, Arias-controlled radio stations are broadcasting inflammatory reports on the situation.

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3. Laos

The week-long lull in fighting continues, although the Communists still threaten government positions.

4. Czechoslovakia

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the Czech political scene and on relations between the various East European states.

3.3(h)(2)

the Soviets originally approved Dubcek's nomination as party first secretary, but began having second thoughts when they saw how far he intends to go down the liberalization path.

3.3(h)(2)

the Soviets do not understand how popular this course is. they could run into serious trouble if they overplay their hand in trying to restrict Dubcek's reforms.

3.3(h)(2)

3.3(h)(2)

Dubcek is planning some major personnel changes. One of these came Monday when an old Novotny warhorse was eased out of his job as the party's top ideologist.

We note Novotny was not on the Czech team Dubcek led to the Warsaw Pact meeting in Sofia.

5. Warsaw Pact

Top leaders of the pact countries sit down today in Sofia; Russian-Rumanian fireworks are expected.

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the Rumanians intend to propose some major changes in the pact's command structure which would dilute Moscow's authority. The Rumanians may even threaten to withdraw from the pact.

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We doubt the Rumanians will go through with such action, but they will probably use the threat for tactical bargaining.

The Rumanians and Russians also will be crossing swords on the nonproliferation treaty and on relations with West Germany.

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6. Japan

Loose security in the Japanese Defense Agency has given Sato's political enemies another handful of mud to sling at the prime minister. They are taking full advantage.

Classified documents have found their way into the hands of opposition members of the Diet, who are using the material as "evidence" that Sato has sinister plans to revive prewar militarism. What Sato would like to do is get public support for an increased defense effort, but all the muck-raking is hurting his chances.

7. Bolivia-Chile

The last of Che Guevara's guerrillas are headed back to Cuba by way of Easter Island, Tahiti, and Paris.

The five survivors had crossed from Bolivia into Chile, where they were arrested on 22 February. With the prompt intervention of Salvadore Allende, Chile's left-wing senate president, the five were freed and then whisked off to Easter Island to begin their homeward journey. Bolivia is protesting release of the guerrillas, but is not likely to get much satisfaction.

8. South Yemen

A South Yemeni delegation has returned from Moscow with an offer of Soviet military hardware. This group from Aden had asked for Soviet money, but the Russians turned that down and countered with the suggestion the South Yemenis take tanks and MIGs instead.

9. Liberia

President Tubman is probably going to ask for more US aid when he visits Washington on 27 and 28 March. Despite \$270 million in US aid since 1946 and massive foreign investment of about \$550 million, Tubman is up to his neck in debt. The basic problems are fiscal mismanagement and graft.

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